



County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

September 13, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

Michael J. Henry
Director of Personnel

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

OVERTIME PROTOCOL FOR COUNTY DEPARTMENTS

During the Board meeting on July 19, 2005, your Board instructed the Chief Administrative Office (CAO) and the Department of Human Resources (DHR) to review time card protocol in place for all County departments, and how overtime is recorded and reconciled; and report back with recommendations that may be required to ensure that there is no overtime/time card abuse taking place.

Controls over Overtime

The County Code, the County Fiscal Manual (CFM) and CAO Policy Bulletins provide County managers with instructions and guidelines on how to control and monitor employee overtime. In addition, some County departments have instituted additional policies and guidelines to control overtime based upon their operational environment. Our review of the Countywide guidelines and discussion with representatives of the Auditor-Controller's (A-C) Audit Division found that if the guidelines are followed, it will allow departments to monitor and control employee overtime. According to A-C investigators and auditors, overtime abuse is generally the result of insufficient management oversight.

Steps to Control Overtime

Along with long-standing policies and procedures to guide County managers, in February 2005, the A-C and CAO released a new management tool to help monitor overtime costs and identify overtime abuses. The Overtime Earnings Report (OER), which is distributed monthly to each department's Administrative Deputy, identifies all employees within a department with paid overtime earnings exceeding 50 percent of their regular earnings. The OER displays employees' regular earnings, overtime earnings and percentage of overtime earnings to regular earnings for the calendar year, quarter-to-date and year-to-date periods. Department managers are encouraged to utilize this new tool to identify employees with large amounts of overtime earnings, and to implement alternatives to excessive overtime.

Also, in May 2005, the CAO modified the Quarterly Request for Overtime Authorization form that each department must submit to the CAO to better identify the reason for requested overtime. Departments are now asked to identify overtime related to one or more of the following reasons: (1) Overtime requested due to implementation of new programs, workload and/or caseload increases; (2) Overtime requested due to vacancies; (3) Overtime requested due to recruitment issues or hiring delays; and (4) Overtime requested due to a hiring freeze. Identifying the reason of overtime will aid County managers in addressing the underlying need for overtime and take appropriate action to reduce the overtime, when possible.

In addition, as part of their periodic audits of County departments and in an effort to provide an ongoing review of overtime use, DHR will examine departmental overtime policies, procedures and practices to ensure their consistency with Countywide guidelines.

Since most overtime abuse is generally the result of insufficient management oversight, the CAO and DHR will reinforce with all department heads the tools available and policies and procedures in place to properly control and manage overtime.

If you have any questions or need additional information, please contact us or your staff may contact Debbie Lizzari of the CAO at (213) 974-6872 or Susan Stern of the DHR at (213) 974-2631.

DEJ:MJH
DL:SK:MM:ljp

c: Department Heads

overtime.bm